GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3610
ANSWERED ON:08.08.2017
Investment in Urea Sector
Lakhanpal Shri Raghav

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has taken concrete steps to attract fresh investments in the urea sector and to make the country self-sufficient in this sector;

(b) if so, the details and outcome thereof; and

(c) the details of the steps taken by the Government for the revival of closed units?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT & HIGHWAYS, SHIPPING AND CHEMICALS & FERTILIZERS

(SHRI MANSUKH L. MANDAVIYA)

(a) & (b): Yes, Madam. The Government has notified New Investment Policy (NIP)−2012 dated 2nd January, 2013 (and its amendment dated 7th October, 2014) to facilitate fresh investment in urea sector and to make India self-sufficient in the urea sector. Based on NIP−2012, any interested company can establish urea plant in the country. At present, Department of Fertilizers has 2 active proposals, i.e. Matix Fertilizers & Chemicals Limited (Greenfield project at Panagarh, West Bengal) and Chambal Fertilizers & Chemicals Limited (Brownfield project at Gadepan, Rajasthan) for setting up of urea projects.

Further, the Government of India has also notified the New Urea Policy (NUP) - 2015 on 25th May, 2015 for existing 25 gas based urea units with the objectives of (i) maximizing indigenous urea production, (ii) promoting energy efficiency in urea production and (iii) rationalizing subsidy burden on the government. This policy has led to additional production of approximately 20 LMT during the year 2015-16 as compared to 2014-15, from the existing gas based urea plants. Total production of urea during the year 2015-16 was 244.75 LMT, which is the highest ever urea production in the country. The indigenous urea production for the year 2016-17 was 242.01 LMT.

(c): At present eight fertilizer public sector plants are lying closed. Out of these, five plants namely Talcher, Ramagundam, Gorakhpur, Sindri and Barauni are being presently revived by setting up Ammonia-Urea plants of 1.27 million metric tonne per annum (MMTPA) capacity each.

Gorakhpur &Sindri units of Fertilizer Corporation of India limited (FCIL) and Barauni unit of Hindustan Fertilizer Corporation Limited (HFCL) are being revived by means of Special Purpose Vehicle of Public Sector Undertakings (PSUs) through nomination route. A Joint Venture (JV) Company named "Hindustan Urvarak & Rasayan Limited (HURL)" comprising of National Thermal Power Corporation, Coal India Limited, Indian Oil Corporation Limited and FCIL/HFCL has been formed.

Talcher Unit of FCIL is being revived on 'Nomination basis' by a Consortium of PSUs namely Rashtriya Chemicals and Fertilizers Limited (RCF), GAIL (India) Limited, CIL and FCIL. A JV Company named "Talcher Fertilizers Limited (TFL)" has been formed.

Ramagundam unit of FCIL is being revived on nomination basis by consortium of PSUs namely Engineers India Limited (EIL), National Fertilizers Limited (NFL) and FCIL. A JV Company named "Ramagundam Fertilizers & Chemicals Limited" has been formed.

Pre-project activities for the proposed projects at each of these units is going on. Expected date of commissioning of these plants are as under:

Fertilizer plant Expected month of commissioning
Talcher December, 2020
Ramagundam November, 2018
Gorakhpur August, 2020
Sindri September, 2020
Barauni October, 2020

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